(Rs. crores)

	Sanctions	Disbursements
1990-91 . . .	434.8	265.8
1991-92 . . .	651.1	319.4
1992-93 . . .	355.1	34.3

Investment by NANBARD in Tamil Nadu

7514. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) the quantum of investment made in Tamil Nadu by the National Bank for Agriculture and Rural Development during the last three years; and

(b) the details of schemes launched by the above bank during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) National Bank for Agriculture and Rural Development (NABARD) has reported that it has disbursed refinance in Tamil Nadu under schematic lending covering vraious purposes, to the extent of Rs. 136.42 crores, Rs. 168.76 crores and Rs. 215.07 crores during 1991-92, 1992-93 and 1993-94 respectively. It has also sanctioned short-term credit limits for seasonal agricultural operations to the Tamil Nadu State Cooperative Bank to the tune of Rs. 200.60 crores, Rs. 220.90 crores and Rs. 253.05 crores, respectively, during the same period.

(b) The Schemes launched by NABARD during the above period are:

(i) Setting up of a cooperative development fund to provide development assistance for promoting rural non-farm sector;

(ii) Preparation of district potential linked credit plants for all the districts of Tamil Nadu;

(iii) Linking up of self-help groups with banks; and

(iv) Making available funds to major commercial banks for financing a high-tech projects from NABARDs venture capital fund.

Cut in present inflation level

7515. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recently decided to take steps to cut the present inflation level by four per cent; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) The monetary and credit policy announced by Reserve Bank of India on 14th May 1994 aims at reducing the inflation rate by about four per centage points. The policy stipulates a reduction in monetary growth from 17.8 per cent last year to 14-15 per cent this year. Measures taken to restrain monetary growth are:

(i) Cash Reserve Ratio of Banks to be raised in three steps to 15 per cent by August 1994. This may result in sterilization of Rs. 3700 crores.

(ii) Use of open market operations to offset increases in reserve money due to capital inflows and foreign exchange build up.

(iii) Selective Credit Control measures for agro raw materials:—increase in minimum margin and reduction in credit ceiling by 15 per cent on bank advances against stocks of kapas, cotton, vegetable oils/oilseeds and pulses, besides upward revision from 10 per cent to 25 per cent in concessional margin on bank advances against vegetable oilseeds and oils to Cooperative Societies.